



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

URGENT

April 13, 1988

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer -

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SUBJECT: Draft Statement of Administration Position on
H.R. 4264, "National Defense Authorization Act, FY
1989."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than
12:00 NOON, THURSDAY, APRIL 14, 1988.

Questions should be referred to Sue Thau/Annette Rooney
(395-7300), the legislative analyst in this.

Ronald K. Peterson

RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosures

cc: D. Gessaman B. Post
 B. Coleman J. Jukes
 H. Schreiber B. Howard
 N. Moore/J. Schuhart

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STATEMENT OF ADMINISTRATION POLICY

DRAFT

April 12, 1988
(House)

H.R. 4264 - National Defense Authorization Act, Fiscal Year 1989
(Rep. Aspin (D) Wisconsin)

The Administration supports enactment of Defense authorization legislation consistent with the Bipartisan Budget Agreement. Accordingly, the Administration has no objection to House passage of H.R. 4264, but will seek amendments in the Senate to reallocate certain program authorization levels consistent with those requested by the Administration. These include reallocations for the following programs that the Committee reduced in order to fund other programs:

- Strategic Defense Initiative;
- Peacekeeper MX rail garrison basing;
- Binary Chemical weapons procurement;
- B-1 bomber improvements; and
- Military pay raise.

H.R. 4264 makes other policy changes for which the Administration will seek amendment, including:

- Elimination of restrictions on planned testing of the contracting out of military commissaries operations;
- Elimination of certain land transfers;
- Elimination of the prohibition against certain DOD purchases of Toshiba America, Inc.; and
- Elimination of "Buy America" requirements.

In addition, the Administration will seek to have the thresholds for DOD contracts under the Davis Bacon and the Service Contract Acts increased.

LEGISLATIVE REFERENCE DIVISION DRAFT
4/13/88